

WEST LINDSEY DISTRICT COUNCIL

# Annual Governance Statement 2020/21

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## ANNUAL GOVERNANCE STATEMENT 2020/21

### 1. SCOPE OF RESPONSIBILITY

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1.1 West Lindsey District Council is responsible for ensuring that its business is conducted in accordance with the law and proper accounting standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. West Lindsey District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.2 In discharging this overall responsibility, West Lindsey District Council has put in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

1.3 During 200/21, West Lindsey District Council has worked to its code of corporate governance. This follows the principles set out in guidance provided by CIPFA/SOLACE in 2016 within their Delivering Good Governance in Local Government Framework. The purpose of the Framework is to assist local government to take responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. A copy of the authority's framework is on the Council's website contained within the [Codes and Protocols](#) section of The Constitution.

1.4 This Annual Governance Statement explains how West Lindsey District Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulations 4(3) and 4(4), which requires all relevant bodies to prepare and publish an annual governance statement.

### 2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

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2.1 The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services that represent value for money. The framework has been reviewed during the year and is deemed to be relevant and robust.

2.2 The system of internal control is an important part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of West Lindsey District Council's policies, aims and objectives, to evaluate the

likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

2.3 The governance framework has been in place at West Lindsey District Council for the year ended 31<sup>st</sup> March 2021 and up to the date of approval of the statement of accounts at a meeting of the Governance and Audit Committee on 29<sup>th</sup> September 2021.

### **3. THE GOVERNANCE FRAMEWORK & REVIEW OF EFFECTIVENESS**

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3.1 The Governance Framework is presented in detail at Appendix One with commentary about improvements made during the year and improvements still required. Some of the key features of the Governance Framework are set out below.

3.2 The Council's governance arrangements have been severely tested by the Covid-19 Pandemic. This has caused severe disruption to the manner in which the Council usually progresses its decision making and wider operations. Governance procedures and protocols concerning the holding of Committee meetings, the functioning of internal Programme Boards, performance reporting, information governance, business continuity and emergency planning and consideration of risk, have all been tested with revised arrangements put in place and regular advisory messages relayed to staff. Staff have reacted in a positive fashion, with a larger majority operating remotely with the result that Council business has been delivered largely as expected.

3.3 Many members of staff have been re-assigned to new priority areas of work to ensure that the vulnerable and those most in need, are assisted and are not adversely affected by the impacts of the Pandemic. Much effort has also been spent on ensuring that businesses receive the financial support afforded them by government and also advice and assistance to ensure they continue to operate in a safe manner and/or were able to re-open in line with all relevant public health guidelines. Covid Marshalls have been appointed to re-enforce social distancing messages and to provide visibility and support for residents and businesses, as well as checking that necessary regulations are adhered to.

3.4 The Council's uses its Constitution as a basis from which decision making, delegations and matters relating to the ability to meet legislative and statutory requirements are considered. As a result of lockdown and social distancing requirements over the last year, the Council no longer had the ability to hold council meetings and make decisions in the usual manner. Therefore, using the Constitution as a guide, revised arrangements were put in place to ensure that delegated decisions could be made promptly and in a sound manner. For matters that did not require new legislation e.g the ability to hold virtual meetings, the Constitution provided a solid framework to support the implementation of the revised arrangements.

3.5 Throughout the statement, where the pandemic has impinged on governance related matters, specific reference has been made to the impact

and the Council's response is detailed.

3.6 The Council is working to its Corporate Plan covering the period 2019-2023. It sets out the Council's vision for the District and sets out key strategic objectives which will deliver desired outcomes for communities. The Corporate Plan is explicitly aligned to the Medium Term Financial Plan (MTFP) and Executive Business Plan which details key corporate activity over a three year time frame which will support the achievement of the Council's aims and objectives. This ensures that the aspirations in the Corporate Plan are realistic within the context of the funding constraints placed on the Council. Progress against the priorities detailed within the Corporate Plan is reported annually, as is the on-going relevance of the Plan which takes into account feedback from surveys conducted with the citizens of West Lindsey.

3.7 The Constitution of West Lindsey District Council establishes the roles and responsibilities of the Full Council, Policy Committees, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnership arrangements. The Constitution is reviewed annually to ensure it continues to be fit for purpose.

3.8 The Constitution also contains rules of procedures (standing orders and financial regulations) that define clearly how decisions are taken and where authority lies for decisions. The statutory roles of Head of the Paid Service, Monitoring Officer and Chief Financial Officer are described, together with their contributions to provide robust assurance on governance and to ensure that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight exerted by these posts is backed by the post-holders' membership of the Council's Management Team.

3.9 West Lindsey District Council has developed, communicated and embedded codes of conduct, defining the standards of behaviour for both Members and staff. During the year the Council has engaged meaningfully in consultation on the production of a new Standards Code for Members and will be looking to adopt the new Code during 2021. In addition, training needs are identified through development appraisals and reviews, enabling individuals to undertake their present roles effectively and have the opportunity to develop to meet their own and the Council's current and future needs.

3.10 West Lindsey District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review is informed by:

**1. The Combined Assurance Report – made up from:**

- a) Feedback from senior managers within the Authority who have responsibility for the development and maintenance of the governance environment and its effectiveness within their areas
- b) The findings of the Annual Audit Work Plan
- c) Third Party assessment e.g. peer review, external consultancy

**2. The Annual Review of Comments, Compliments and Complaints**

**3. The Annual Monitoring Officer Report and Review of The**

### **Constitution**

- 4. The Annual Review of the Effectiveness of Internal Audit**
- 5. Reviews of Whistleblowing**
- 6. The Annual Review of Fraud**
- 7. The Head of Internal Audit's Annual Report**
- 8. Comments made by the external auditors and other review agencies and inspectorates**

3.11 These reviews have been considered by the Governance and Audit Committee as well as a draft version of this governance statement. As a result the arrangements are deemed as being fit for purpose.

3.12 The areas already addressed and those to be specifically addressed via an action plan to be developed in the coming year are outlined below.

## **4. SIGNIFICANT GOVERNANCE ISSUES**

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4.1 Over the last year the Council has consolidated its progress made over previous years in embedding its corporate governance arrangements and procedures and to consistently communicate the message across the organisation that governance is an essential component of corporate activity. However, as major projects have developed and commercial initiatives have been pursued, the Council has been cognisant of the need to ensure governance and decision making processes do not inhibit the successful achievement of desired outcomes. Hence, the Council's attitude to risk and governance have been the subject of much discussion to determine the right balance between probity and the taking of opportunities.

4.2 This work has been recognised by the Head of Internal Audit. Taking account of the activity and changes within the Council during 2020/21 and the audit and consultancy work the audit team have undertaken, she has concluded that the Council's arrangements for governance, risk and financial control are performing well, with arrangements for internal control performing adequately. This is an improved position compared to the opinion offered last year, whereby all four elements were deemed to be performing adequately.

4.3 The capacity and capability of the Council to deliver its objectives is regularly reviewed. This ensures that staffing requirements are appropriate to support both operational and programme delivery. Where appropriate, expert subject matter advice has been externally sourced to provide expertise and objective thinking in support of a number of the Council's key projects. This approach continues to serve the Council well.

4.4 We also continue to review and refresh where appropriate, the main processes which constitute the Council's performance and governance framework. This includes considerations relating to performance and project management, partnership arrangements, risk management, procurement and contract management. We aim to provide clear guidance and support and regularly undertake workshops with staff to ensure that procedures are fully understood and are routinely applied. Work has also been undertaken to review the Council's Portfolio Board structure to provide appropriate support and scrutiny in relation to project development and to realise effective delivery.

4.5 The Council continues to work closely with a combination of colleagues from Lincolnshire Procurement and Lincolnshire Legal Shared Services to ensure that governance arrangements supporting the Council's growth and commercial agendas are robust. Where appropriate, additional relevant external professional advice is sought to review particular proposals and help steer decision making. Additionally, to expedite efficient decision making, arrangements are in place to hold concurrent policy and resourcing committee meetings, to secure policy/project and resourcing approvals within the same session.

4.6 Training for staff and Members has also taken place during 2020/21, as have workshop sessions and regular feedback to Members and the Management Team on governance related matters and a number of other subject areas. These have been held on a virtual basis and feedback has been positive.

4.7 A refresh of measures to be incorporated into the Council's Progress and Delivery reporting has been undertaken to ensure that we report against meaningful aspects of service delivery and also track and record progress against the ambitions detailed within the Council's Corporate Plan.

4.8 During 2020/21 West Lindsey District Council has also regularly reviewed progress against the significant issues identified in the previous year's AGS (2019/20). Six-monthly update reports have been presented to the Council's Management Team and the Governance and Audit Committee. Issues that have been sufficiently progressed and so are now removed from the AGS (2019/20) action plan are:

1. Implement senior management restructure
2. The production of the Council's Climate and Sustainability Strategy
3. Address issues arising out of effectiveness of Governance & Audit Committee survey

Matters relating to the remaining three issues have been rolled over into the action plan for 2020/21 as detailed below:

4. Post-pandemic recovery response & plans – this will have a change of emphasis to 'Living with Covid' and how the Council adapts to this in respect of how it functions
5. Review of the effectiveness and understanding of corporate procurement procedures – a number of actions have to be concluded before matters have been fully addressed.
6. Maintain oversight and assurance on progress of the Peer Review action plan – Good progress has been made against this, however a number of individual items within the plan will appear on the action plan for 2020/21.

## **5. SIGNIFICANT CURRENT ISSUES TO BE A FOCUS IN 2021/22.**

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5.1 During 2020/21, the Council will pay attention to a number of issues as described below and will continue to stress the message across the organisation that governance is a core component of corporate activity. Hence all officers are required to play a part in ensuring that our processes and systems are robust and adhered to.

On-going 'testing' of our processes will be undertaken and we will continue to work in a collaborative manner with colleagues from both Internal and External Audit.

5.2 Those issues that have been identified as requiring particular attention during 2021/22 are produced below. These were identified by Management Team; via reference to Internal Audit opinion and through the work undertaken to complete the Council's Combined Assurance Report for 2020/21. Progress will be made in 2021/22; monitored by the Management Team and the Governance and Audit Committee.

5.3 The significant issues identified are:


1. Living with Covid-19 roadmap
2. Complete review of corporate procurement procedures
3. Ensure compliance to meet the standards of the Financial Management Code
4. Produce a Cultural Strategy\*
5. Clarify what 'social regeneration' means to the Council, what it will deliver and how to resource it\*

\* Emanating from the Peer review action plan.

5.4 Over the coming year we will address the above matters via an action plan to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

5.5 There have been no significant events or developments relating to the governance system between the year-end and the date on which the Statement of Accounts were signed by the responsible financial officer.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Councillor Owen Bierley, Leader of the Council on behalf of West Lindsey District Council

Signed:  \_\_\_\_\_ Date: \_\_\_\_\_  
Ian Knowles, Head of Paid Service on behalf of West Lindsey District Council